(3) Income Taxes

The provision (benefit) for income taxes attributable to the Company's regulated and nonregulated activities is as follows:

	2014		
	Regulated	**Nonregulated**	**Total**
Current:	[redacted]		
Federal			
State			
Deferred:			
Federal			
State			
Current:			
Federal			
State			
Deferred:			
Federal			
State			

The differences between the federal statutory r[redacted]

Federal statutory rate	[redacted]		
State income tax – net of federal benefit			
Other			

The tax effects of temporary differences that give rise to significant components of the Company's deferred income taxes at December 31 are as follows:

	2014	2013
Current deferred tax assets (liabilities):	[redacted]	
Allowance for doubtful accounts		
Other		
Net current deferred tax assets (liabilities)		
Noncurrent deferred tax assets (liabilities):		
Telephone plant		
Other		
Net noncurrent deferred tax assets (liabilities)		

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences at December 31, 2014. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

(4) Nonregulated Operations

Nonregulated assets, net at December 31 consist of the following:

	Estimated useful lives	
Customer premises equipment	3–5	$ [redacted]
Public telephone equipment	9	
CATV equipment	3–12	
Accumulated depreciation		
Inventory		
		$

Nonregulated property and equipment is stated at original cost. Depreciation on nonregulated property and equipment other than CATV equipment is computed using the straight-line method for both financial reporting and income tax purposes. Depreciation on CATV equipment is computed using the straight-line method for financial reporting purposes and accelerated methods for income tax purposes. CATV equipment estimated useful lives range from three to twelve years. Depreciation expense of the nonregulated property and equipment was [redacted] for 2014 and 2013, respectively.

Income from nonregulated operations is as follows:

	2014	2013
Sales:	[redacted]	
Customer premises equipment revenues		
Dial-up Internet access		
CATV revenue		
Other income		
Total sales		
Expenses:		
Cost of sales		
Depreciation and amortization		
Operating expenses		
Other expenses		
Total expenses		
Pretax loss from nonregulated operations		

(5) Operating Leases

The Company leases certain real estate and equipment under operating leases. Rental expense under these leases was [redacted] in 2014 and 2013, respectively. Future minimum lease payments under these leases are as follows:

2015	[redacted]
2016	
2017	
Thereafter	

(6) Employee Benefit Plans

The Company leases all of its employees from RCH, and all related costs are allocated to the Company.

The Company participates with ERC and ERC's subsidiaries in a noncontributory defined benefit pension plan (the Plan) covering substantially all of the employees of ERC and its subsidiaries. Pension benefits are based on an employee's years of credited service and compensation. ERC's funding policy is to satisfy the funding requirements of the Employee Retirement Income Security Act of 1974. Expenses for 2014 and 2013 related to this plan were [redacted], respectively, and are included in the allocation of employee costs from RCH.

The Company participates with ERC and ERC's subsidiaries in an employee savings plan under Section 401(k) of the Internal Revenue Code (the 401(k) Plan) covering substantially all full-time employees of ERC and its subsidiaries. Employees may elect to contribute a portion of their eligible pretax compensation up to certain limits as specified by the 401(k) Plan. The Company also makes annual contributions to the 401(k) Plan. Expenses for 2014 and 2013 related to this plan were [redacted] respectively, and are included in the allocation of employee costs from RCH.

(7) Related-Party Transactions

Significant portions of accounting and administrative services are provided to the Company by RCH. These services are primarily billed to the Company in the form of a management fee. Charges to the Company from affiliated entities are calculated based upon cost and a rate of return to provide such services as prescribed by the regulatory process. Charges for these services at December 31 are as follows:

	2014	2013
Operating revenues:	[redacted]	
Charges to affiliates for software maintenance		
Operating expenses:		
Management fees – RCH		
Other expenses:		
Interest expense		

During 2014, RCH completed its effort to expand its network and create synergies between its subsidiaries, resulting in an increase in shared equipment and resources. This change in infrastructure resulted in an increase in the amount of management fee expenses charged from RCH to the Company.

The Company was allocated imputed interest costs from RCH based on RCH's capital structure, which totaled [redacted] in 2014 and 2013, respectively.

Receivables (payables) arising from related-party transactions at December 31 are as follows:

	2014	2013
Ritter Cable Corporation	[redacted]	
Millington Telephone Company		
Millington CATV, Inc.		
Ritter Communications, Inc.		
E. Ritter Telephone Company		
E. Ritter & Company		
RCH		

(8) Concentrations of Credit Risk

During 2014 and 2013, net revenue settlements received from the National Exchange Carriers Association represented [redacted] respectively, of total revenues. During 2014 and 2013, net revenue settlements received from the Arkansas Universal Service Fund represented [redacted] respectively, of total revenues. No other entity accounted for more than 10% of revenues during 2014 and 2013.

The Company had receivables from the following entities representing more than 10% of total receivables at December 31:

	2014	2013
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]